



FTS2001 Transition Cost Recovery

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03 May 2000



FTS2001 Transition Cost Recovery

- **ISSUE:** *How does DISA recoup the expenses associated with the DOD FTS2001 Transition Effort*
- **SOLUTION:** *Application of a Transition Expense Adjustment (TEA) %*
- **STATUS:** *Final Approval needed from DISA Management Components*
- **IMPLEMENTATION:** *Jun 00 billing, unless approval requires changes to existing application software programs*



FTS2001 Transition Cost Recovery: Transition Expense Adjustment (TEA)

- **FTS2001 Transition Expenses will be recovered per the application of a TEA %:**
- **Basis for the 5.5 % TEA:**
 - Recovering \$7.7M in transition expenses (FY99/00)
 - Transitioned FTS2001 Revenues of \$141.0M (FY00/01)
 - 24 month period



FTS2001 Transition Cost Recovery:

TEA Application

- **Events that could impact the duration of the TEA Application:**
 - *24 month period could be extended if revenue projections for FY00/01 are not realized*
 - *24 month period could be shortened if GSA funds portions of the transition expenses as a result of on-going discussions by Transition Team*
 - *24 month period could be shortened if transition expenses are recouped sooner*